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2001 ANNUAL REPORT

THE APEX CORPORATION

Corporate Profile

For ten years, The Apex Corporation has been a leading Calgary based real estate development company operating within selected Canadian and United States market segments, including single family home construction, multi-family development and land development.

The **SINGLE FAMILY HOME CONSTRUCTION** division operates through Excel Homes Inc. Excel is one of Canada's largest builders of affordable single family homes with current operations in Calgary, Alberta. Excel continues to win numerous awards and has gained national recognition for its innovations in superior product design, construction efficiency and after occupancy service.

The **MULTI-FAMILY DEVELOPMENT** division, operating through Apex Lifestyle Communities Inc., is a prominent developer of innovative multi-family living styles including urban lofts and villas, apartment condominiums, townhomes and specialized housing communities targeting the expanding senior citizen market. Current projects are located in Calgary, Alberta and Toronto, Ontario. Apex Lifestyle Communities is the proud recipient of numerous awards including the Calgary Region Home Builders Association's Sales and Marketing Customer Choice Award – Mid Volume and Best Multi-Family Project – Apartment Complexes.

The **LAND DEVELOPMENT** division operates through Apex Land Development. This division acquires, develops and sells land for the construction of single and multi-family dwellings with current projects located in Calgary and Edmonton, Alberta and Vernon, British Columbia. Apex Land Development is recognized for its extraordinary attention to detail and has won numerous awards for its subdivisions, including the coveted Best Development award.

The Apex Corporation is focused on being the most respected market-oriented leader in the real estate development industry, recognized for excellence, integrity and innovation through financial strength and profitability. Common shares of The Apex Corporation trade on the Toronto Stock Exchange under the ticker symbol AXD.A.

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PERFORMANCE HIGHLIGHTS

Financial Performance Summary

Years Ended April 30,	2001	2000	Change
(000s, except per share amounts)	\$	\$	%
Revenue	139,917	124,324	+12.5
Net earnings	8,077	6,652	+21.4
Per share – basic	0.39	0.33	+18.2
Operating cash flow	10,038	8,821	+13.8
Per share – basic	0.49	0.43	+14.0
Total assets	155,448	158,597	-2.0
Financing	68,261	82,944	-17.7
Shareholders' equity	56,832	48,624	+16.9
Weighted average shares outstanding (000s)	20,546	20,411	+0.7

Quarterly Results Summary

	Q-1	Q-2	Q-3	Q-4	Total
(000s, except per share amounts)	\$	\$	\$	\$	\$
Fiscal 2001					
Revenue	37,156	35,427	31,268	36,066	139,917
Net earnings	2,524	1,531	1,800	2,222	8,077
Per share – basic	0.12	0.08	0.09	0.10	0.39
Operating cash flow	2,724	1,712	1,997	3,605	10,038
Per share – basic	0.13	0.09	0.09	0.18	0.49
Fiscal 2000					
Revenue	32,399	33,258	29,404	29,263	124,324
Net earnings	1,941	1,588	2,182	941	6,652
Per share – basic	0.10	0.07	0.11	0.05	0.33
Operating cash flow	2,112	1,776	2,308	2,625	8,821
Per share – basic	0.10	0.09	0.11	0.13	0.43

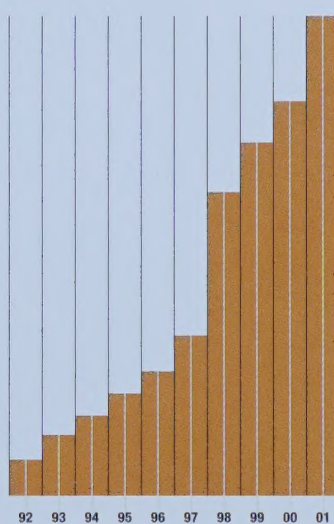
Revenue

(\$ millions)



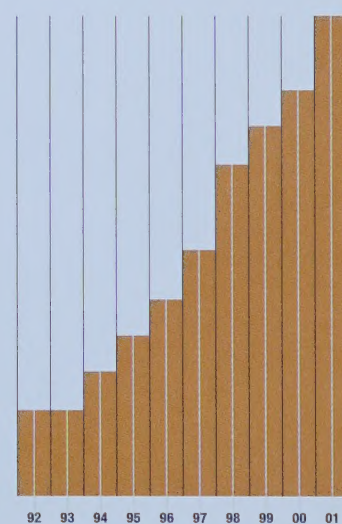
Net Earnings

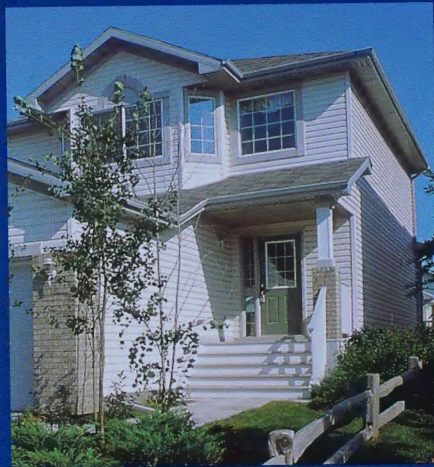
(\$ millions)



Net Earnings Per Share

(\$ basic)





We have built a strong company based on integrity, sound strategies and meaningful goals, and today take a renewed focus on the fundamentals of our business.

Without exception, **APEX HAS INCREASED ITS EARNINGS EVERY REPORTING PERIOD SINCE WE COMMENCED OPERATIONS** – a statement few companies can make. As we celebrate our tenth anniversary, we can look back and see that we have built a strong company based on integrity, sound strategies and meaningful goals, and today take a renewed focus on the fundamentals of our business.

MAXIMIZING SHAREHOLDER VALUE

Using our extensive knowledge of the real estate industry, over the past ten years we have broadened our range of operations and increased our capabilities – all with very positive results, both operationally and financially. However as shareholders ourselves, we share your concern that our stock price does not reflect the accomplishments we continue to achieve. Unfortunately, there are certain things that publicly traded companies cannot control, and its stock price is one of them. Our shares continue to trade well below book value and considerably less than what we believe is the Corporation's true market value.

Over the past four years and based on the advice of market experts, we have attempted to influence the market's perception of Apex. This included repositioning and restructuring the Corporation, acquiring a single family home construction business, changing company and division names and logos, as well as carrying out an aggressive investor relations campaign. Unfortunately, these efforts met with little if any positive results in the share price as our sector as a whole remains out of favour in equity markets, despite the strong industry environment. In December 1999, Apex further embarked on a process aimed specifically at maximizing shareholder value. Following an exhaustive 16 months of evaluating a variety of initiatives (including attempts to sell the Corporation), in April 2001, the exercise was terminated as neither a viable alternative nor an appropriately valued offer was successfully found.

The Board of Directors has since scrupulously analyzed the Corporation (its current management and corporate structure, project portfolio and utilization of capital) and every remaining option available to increase shareholder returns. The results determined that **YOUR COMPANY INDEED HAS THE TEAM, THE PROJECTS, THE RESOURCES AND THE STRATEGIES TO CONTINUE TO GROW AND PROSPER** – Apex is thriving, despite the depressed share price. We believe that Apex offers what investors are looking for (rising profits and aggressive



Jay Westman
Chairman



Calvin Wenzel
Vice-Chairman



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APEX Land Corporation is officially formed and raises \$10.0 million cash to close a 335-acre land parcel in northwest Calgary to be developed into a new subdivision – Citadel; the Corporation is listed on the Alberta Stock Exchange under the symbol AXD.A.



CHAIRMAN'S MESSAGE

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yet measured, steady growth) and that the market will ultimately reward this kind of performance. Again, our strong fiscal 2001 results are the kind of numbers that add up to investor confidence – Apex continues to deliver, which shareholders recognize and so inevitably will the market. So while we look forward to improved market prices, **THE BOARD OF DIRECTORS HAS INITIATED A NEW THREE-YEAR THREE-FOLD PLAN AIMED AT REWARDING OUR SHAREHOLDERS** in the near-term by returning cash to shareholders while reducing the Corporation's equity to 1997 and 1998 levels. More specifically, the plan includes:

- 1) Initiating a Normal Course Issuer Bid. The Bid, which commenced July 6, 2001 and will terminate on July 5, 2002, allows Apex to purchase up to 5% (1,069,169) of its issued and outstanding Class A Common Shares. Apex will purchase the shares for cancelation with the intention of increasing liquidity.
- 2) Returning share capital of Apex to our shareholders, subject to their approval at the Corporation's Annual Meeting in September.
- 3) Establishing a cash dividend policy that will reward shareholders in the success of the Corporation. The payout of cash dividends will be based on Apex's financial position, its financing requirements for growth and other factors.

REDEDICATED TO A FOCUS ON FUNDAMENTALS

To ensure Apex maintains the financial strength required to buy back shares, improve its return on equity ratio and pay dividends, we will continue to focus on the fundamentals of our business and adhere to the principles that have allowed Apex to remain strong. They include:

- capitalizing on opportunities to add to our project portfolio;
- focusing on careful planning and execution of every project we undertake;
- examining closely each project to ensure it is contributing to overall bottom-line results;
- delivering to our customers what they demand – quality communities and residences that creatively and consistently meets and exceeds their evolving needs;
- emphasizing core strengths in our three operating divisions;
- evaluating business partnerships and alliances that enhance our ability to better serve our customers;
- continuing to streamline operations to reduce operating costs and improve overall efficiency;
- investing in the future – of our people and our systems; and
- operating with strict fiscal responsibility and prudence.

APEX ENTERS THIS NEXT DECADE CLEARLY FOCUSED AND IN A POSITION OF STRENGTH to maximize investments in those projects that provide the highest rewards, such that our shareholders will enjoy the financial returns they deserve. We wish to thank our management and employees for their continued hard work and dedication and our shareholders for their patience, confidence and commitment to this Corporation. As we celebrate our tenth anniversary, we rededicate ourselves to our mission of building value for our shareholders and opportunity for our Corporation in the years ahead.

On behalf of the Board of Directors,



Jay A. Westman
Chairman of the Board



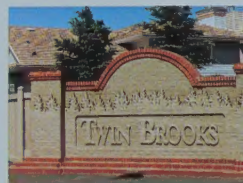
Calvin Wenzel
Vice-Chairman of the Board

July 24, 2001



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Commences development of 37 acres in Oakmont and 150 acres in Twin Brooks – Edmonton as well as 55 acres in Douglas Ridge and 305 acres in McKenzie – Calgary.



Fiscal 2001 marks a decade of achievement and ten years of consecutive growth for The Apex Corporation.

Since our founding in 1991, **APEX HAS EVOLVED AND ADAPTED TO MEET THE CHANGING LIFESTYLE AND LIFESTAGE NEEDS OF OUR CUSTOMERS.** In this short time, we have grown from strictly a land development company to a diversified, well respected industry leader that also provides single family home construction as well as innovative multi-family developments. Fiscal 2001 marks a decade of achievement and ten years of consecutive growth for The Apex Corporation.



Frank Boyd
President &
Chief Executive Officer

FISCAL 2001 HIGHLIGHTS

Apex continued to outperform the previous year, reflecting the progress we are making on all fronts amid an ever-changing industry climate. Even more gratifying, however, is that our forecasts indicate continued profitability ahead, under a range of real estate market scenarios. This is due primarily to the fact that we continue doing what we do best: rigorously focusing on our core businesses, maintaining an "edge" over our competition (by way of location, price, amenities and views), optimizing our assets and maximizing our revenues. During the past year, Apex reported record financial results as outlined below:

- > INCREASED REVENUE 13% TO \$139.9 MILLION;
- > GREW NET EARNINGS ANOTHER 21% TO \$8.1 MILLION OR \$0.39 PER SHARE;
- > IMPROVED OPERATING CASH FLOW 14% TO \$10.0 MILLION OR \$0.49 PER SHARE; AND
- > INCREASED SHAREHOLDERS' EQUITY A FURTHER 17% TO \$56.8 MILLION.

Our three operating divisions continued to record strong sales and made significant progress on new projects introduced a year ago, as described in more detail in the Project Profiles section of this Annual Report.

Single Family Home Construction

- During fiscal 2001, revenue totaled \$60.6 million compared to \$63.9 million recorded in 2000.
- Delivered 430 new single family homes versus 469 a year ago.
- Maintained a 6% Calgary market share.
- Effective May 1, 2001, Apex sold the real estate assets of Excel Homes' Edmonton operations for cash proceeds of \$2.2 million. The sale allows Excel to focus its operating and financial resources on the strong Calgary market.
- Over 90 affordable product types are currently offered in five of Calgary's most desirable communities.



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> Apex enters the loft warehouse condominium market with the development of The Hudson and Lewis Lofts in downtown Calgary; wins an Alberta Government proposal call to promote and manage a \$35.0 million Immigrant Investment Fund.



PRESIDENT'S MESSAGE

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Multi-Family Development

- Revenue grew 289% to \$37.5 million from \$9.6 million in fiscal 2000.
- 193 multi-family homes sold in five projects.
- The Enclave, a 60-unit condominium complex located in Phoenix, Arizona, was completed in August 2000 and fully occupied by October 2000.
- Maintained a 5% market share in Calgary.
- Currently, two new seniors' projects and five multi-family developments are in various stages of construction for a total of over 1,000 units.

Land Development

- 2001 revenue totaled \$47.9 million versus \$57.5 million recorded a year ago.
- 840 lots and a 15-acre multi-family site completed in fiscal 2001.
- Maintained a Calgary market share of approximately 11%.
- Projects totaling 790 acres with 545 lots currently in various stages of development.

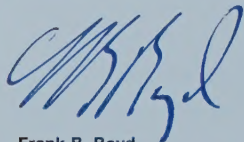
Continued future growth will come through Apex's financial strength, operating expertise, choice projects and a vision to expand.

OUTLOOK

Following a decade of achievement, Apex has arrived at a position of strength because we have held firm to specific corporate strategies and unchanging business principles, while proactively adapting our tactics to our customers' needs and a changing environment. In the process, we have created a company that is grounded in market realities yet charged with a sense of the opportunities that lie before us. **WE HAVE THE ABILITY TO SIZE UP NEW PROSPECTS AND THE FLEXIBILITY, DISCIPLINE AND FORTITUDE TO ACT ON THEM DECISIVELY AND IN THE BEST INTERESTS OF OUR STAKEHOLDERS.** Apex is a unique and innovative corporation with an enviable track record and a clear vision for the future.

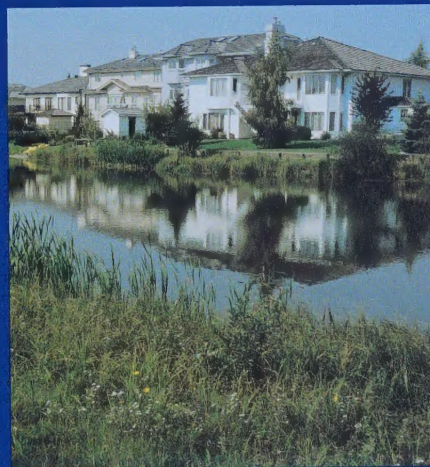
Apex is a young company in an old industry. Our year-over-year record financial and operating performance reflects our highly motivated profit centres and our innovative, creative thinking. We are proud of our achievements since our founding one decade ago, which is a credit more than anything to our outstanding group of directors, management and employees. In 1991, we started with a staff of two and have since grown to over 80 full time personnel. Given the volumes of projects we have completed and are currently working on, it is an excellent testimony to the kind of performance that gives real meaning to the words dedication, integrity, enthusiasm and vision. I wish to thank each member of our team for their individual contribution to our success and to all Apex stakeholders for their continued confidence and support through a gratifying ten years. We have a proud history and we continue to build a promising future.

On behalf of the Board of Directors,



Frank B. Boyd
President & Chief Executive Officer

July 24, 2001





The Apex Corporation has grown from a \$10,000 option deposit on 47 acres of raw land in Calgary, Alberta to a leading real estate development company with diversified operations in Canada and the United States, including single family home construction, multi-family development and land development.

Apex began with a \$10,000 option deposit on 47 acres in the proposed Citadel subdivision in northwest Calgary, and soon after acquired an adjacent 288 acres as well as raised the required \$10.0 million cash to close on the 335-acre parcel of land. The Citadel project has grown during the past ten years to include over 460 acres and 2,200 single and multi-family homes, and has won numerous awards including Best Development. The final phase is currently being developed and is expected to be completed and sold out in fiscal 2002.

APEX LAND DEVELOPMENT IS RESPONSIBLE FOR DEVELOPING 21 SUBDIVISIONS totaling approximately 2,200 acres with 9,000 single family and 36 acres of multi-family homes. These past and current developments include Bridlewood, Citadel, The Crossing in Martindale, Douglasdale, Montreux Country Estates, NewHaven of Coventry Hills, Simcoe Circle, Stonegate of Mountain Park, Symons Valley and West Springs in Calgary, Alberta; The Harbours of Fountain Lake, Nottingham, Oakmont, Riverside, Skyview and Twin Brooks in Edmonton, Alberta; Country Springs and The Meadows in Vernon, British Columbia; Maplewood in Toronto, Ontario; and Sabino Springs in Tucson, Arizona.



Since 1991, The Apex Corporation has grown from strictly a land development company to a diversified real estate development organization including multi-family development as well as single family home construction. Through its multi-family division, Apex Lifestyle Communities Inc. started in 1995, **THE CORPORATION WAS THE FIRST TO INTRODUCE URBAN LOFT LIVING TO CALGARY** with the conversion of two historic downtown warehouses into 90 innovative loft apartment units in The Hudson and Lewis Lofts. This division continues to respond to the changing lifestyles and

a decade of

lifestages of its customers by introducing the first facility of its kind in Alberta with its Royal Park project in 1998. Royal Park, developed in conjunction with Carewest – a wholly owned subsidiary of the Calgary Health Region, is a progressive care retirement residence for seniors offering a unique, creative and cost-effective alternative to traditional institutional care. The facility includes a full-care nursing home with 50 private rooms providing health and life enrichment services operated by Carewest, as well as 105 studio, one and two bedroom rental apartments designed for independent or assisted living owned by Apex. The shift in population toward the ever-expanding senior citizen market has prompted Apex to take on two additional projects of this nature: The Harbours of NEWPORT and The Seniors' Residence at the Colonel Belcher. Both continuing care facilities are currently under construction and expected to open in early 2003.

Other multi-family projects include the award-winning Phoenician, a prominent landmark in northwest Calgary with 190 luxury one and two bedroom apartment condominiums for active adults; The Enclave, a 60-unit townhome complex located in the desirable Biltmore financial and fashion district of Phoenix, Arizona; The Courtyards at Garrison Woods, NEWPORT, The Renaissance at North Hill and Stonehurst Place all in Calgary,

single family homes and continues to gain national recognition for its innovations in superior product design, construction efficiency and after occupancy service. Construction has been focused in the following communities: Bridleglen, Bridlewood, Country Hills, The Crossing in Martindale, Hidden Valley, Martha's Haven, NewHaven of Coventry Hills, Saddle Ridge, Stonegate of Mountain Park and West Citadel in Calgary, Alberta as well as The Cove in Skyview, Deer Ridge, Larkspur in the Meadows, Nottingham and Terwillegar Towne in Edmonton, Alberta. In May 2001, Apex sold Excel's Edmonton operations in order to focus its resources on the growing Calgary market.

APEX HAS SEEN ITS REVENUES GROW FROM \$10.2 MILLION IN FISCAL 1992 TO \$139.9 MILLION IN 2001, AND ITS PERSONNEL BASE FROM TWO EMPLOYEES TO A TEAM OF OVER 80 DEDICATED PROFESSIONALS. During the past ten years, The Apex Corporation has grown to become a respected leading real estate development company recognized for excellence, integrity, innovation and continuous growth.



Alberta, as well as Weston Village located in Toronto, Ontario. All projects combined, Apex has and is currently developing over 1,500 multi-family units for a demographic group desiring a quality maintenance-free lifestyle.

Excel Homes Inc., Apex's single family home construction division, was acquired in 1997. Since its inception in 1989, **EXCEL HAS BUILT MORE THAN 3,900 HOMES FOR THE FIRST TIME AND MOVE-UP BUYER** in the Calgary and Edmonton regions. Excel has grown to become one of Canada's largest builders of affordable

A proud history;
a promising future.

achievement

PROJECT PROFILES

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*Bridleglen***> BRIDLEGLEN**

Bridleglen, a neighbourhood located within the southwest community of Bridlewood, is situated on the doorstep of the city's equestrian heartland. This community is ideally located just minutes from the world famous Spruce Meadows Equestrian Centre, Fish Creek Park, major shopping, entertainment, restaurants and recreation facilities. Excel has been building in this community for three years and has sold over 180 single family homes to date. Excel offers product lines featuring unique exterior elevations in both laned and front attached garage home styles.

> THE CROSSING IN MARTINDALE

Tradition and old-fashioned values epitomize The Crossing in Martindale. Quaint Victorian-styled homes and intimate tree-lined streets give this friendly northeast neighbourhood its own special character and quiet charm. Located close to major shopping, medical and recreational facilities, The Crossing offers an abundance of lot lots and green spaces that wind throughout the neighbourhood and features a 21-acre park located in the heart of the community. Excel has been the predominant builder in The Crossing for the past 12 years having built over 700 single family starter homes.

> NEWHAVEN OF COVENTRY HILLS

NewHaven targets first time homebuyers and first time move-up buyers. This north central area has plenty to offer growing families including two nearby golf courses and the Country Hills Towne Centre that features movie theatres and numerous shops, services and restaurants. Excel has built over 120 single family homes in NewHaven during the past three years offering both laned and front attached garage product lines. Plans are currently underway to open a new showhome parade in late 2001.

*The Crossing
in Martindale**NewHaven of
Coventry Hills*

Excel Homes, Apex's single family home construction division, is Calgary's leader in affordable housing with a significant presence in five prominent subdivisions.

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Saddle Ridge

> SADDLE RIDGE

The northeast community of Saddle Ridge encompasses 1,630 acres of land and is located immediately east of the Calgary International Airport. Saddle Ridge boasts a 17-acre wetland park, numerous ponds and an interpretive trail that winds throughout the community. A tot lot has already been installed and there are plans for two school sites. In 1999, Excel opened its first parade of showhomes in this community that caters to both the first time buyer as well as the move-up market, and to date has sold over 65 homes. The Company's front attached garage homes feature extensive exterior detailing including rich brick accents. Several new home designs have recently been added to Excel's Saddle Ridge product line, offering homebuyers even more selection.

> WEST CITADEL

Located in Calgary's desirable northwest and close to regional amenities including the Crowfoot YMCA, Crowfoot Towne Centre and Nose Hill Park, West Citadel offers its own brand of family living. This community features an integrated pathway system that links parks and open spaces providing for year-round recreation opportunities and safe places for children to grow and play. With a predominantly laned product line, Excel offers a variety of affordable home styles to a large cross section of new homebuyers. To date, the Company has built over 70 single family homes in West Citadel and is currently working on its third parade of showhomes, which is scheduled to open in September 2001.



West Citadel

PROJECT PROFILES

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*The Renaissance
at North Hill*



> THE COURTYARDS AT GARRISON WOODS

This 179-unit, four-building apartment condominium community is a joint venture with Ceco Developments. The Courtyards at Garrison Woods is located on the former Canadian Forces Base lands in a trendy inner-city area only five minutes from downtown Calgary. Over 90% of the first two phases have been sold and occupied. Currently, phase three is under construction with 20% of these suites sold and first occupancies expected in fall 2001.

> NEWPORT

Inspired by the architecture of the nautical East Coast, NEWPORT is a master-planned development situated in the fast growing north central area of Calgary. NEWPORT is located adjacent to a 22-acre water feature ideal for canoeing, kayaking and sailing. Walking and cycling pathways circle the water as well as wind throughout the entire community and to the adjacent retail centre, which features dozens of retail shops, services, restaurants and entertainment. Phase one consists of 41 townhomes and two 52-suite apartments. One apartment building is 98% sold and occupied, while the second building is currently over 35% sold with occupancies expected to commence in fall 2001. Over 65% of the townhomes have been sold and occupied to date.

> THE RENAISSANCE AT NORTH HILL

The Renaissance will be a unique Calgary landmark consisting of 176 luxury apartment condominiums in two 10-storey towers. The towers will be connected to the newly renovated North Hill Shopping Centre and will offer residents private and secure elevator access to the mall's shops, services and restaurants. The Renaissance has been designed to maximize the spectacular views of the Rocky Mountains, the downtown skyline and Nose Hill Park. The suites, along with two levels of heated and secured parking, a 17,000 square foot office component, impressive landscaped terraces and a 12,000 square foot amenity centre featuring an exercise room, theatre, library and games room, will be constructed above the shopping centre and conveniently located within walking distance to the LRT. Other nearby amenities include the Jubilee Auditorium, University of Calgary, Southern Alberta Institute of Technology, McMahon Stadium and Foothills Hospital. Construction of the east tower, driveway ramp and amenity centre began in December 2000 with first occupancies scheduled for June 2002. Over \$13.5 million of pre-sales have been recorded to date, representing approximately 60% of the first tower's suites. Sales and marketing of the west tower will commence next spring, once at least 85% of the first tower's suites have been sold.

*The Courtyards
at Garrison Woods*



NEWPORT

The Company's multi-family division, Apex Lifestyle Communities, is currently developing seven projects with over 1,000 homes, including two progressive care retirement residences for seniors.

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The Harbours of NEWPORT

> **STONEHURST PLACE**

Located in Calgary's desirable west side Signal Hill neighbourhood, Stonehurst Place offers 97 distinctive condominium homes, including 24 villas and 73 townhomes. The exceptional location offers spectacular mountain views from select homes, nearby shopping, restaurants and services, is only 12 minutes from the downtown core and has easy access to westbound highways for weekend get-aways to Alberta's mountain parks. In addition, the new Westside Regional Recreation Centre is accessible to Stonehurst Place residents by the community's two walkways. Over 60% of the homes have been sold and over 40% have been occupied to date.

> **WESTON VILLAGE**

Apex is partnering with the FRAM Building Group, a quality Toronto homebuilder, in the development of 55 two-storey townhomes and 83 single family homes in the inner-city Toronto location of Weston Road and Oak Street, south of Highway 401. Currently, 90% of the homes have been sold with over 100 occupancies to date. Final construction of this project will be completed by fall 2001 and fully occupied by early winter 2002.

Progressive Care Retirement Residences

> **THE HARBOURS OF NEWPORT**

The Harbours is a unique joint development with Summit Care Corporation Ltd., a private health care provider. The project will include two separate buildings in one development: Apex's building will consist of 125 progressive care rental apartments, while Summit's building will include 125 continuing care beds. The Harbours is located in the north central multi-family community of NEWPORT overlooking the picturesque 22-acre water feature and directly adjacent to a landscaped area and pathway. Construction commenced in summer 2001 with first occupancies of the rental suites anticipated in early 2003. Currently, over 150 interested people have placed their names on Apex's reservation list.

> **THE SENIORS' RESIDENCE AT THE COLONEL BELCHER**

The Colonel Belcher is Apex's second joint development with Carewest, a wholly owned subsidiary of the Calgary Health Region – a non-profit organization. This new facility, to be located in northwest Calgary, will combine two types of seniors' living in one development: Apex's building will consist of 175 progressive care rental apartments, while the Carewest building will be a replacement of the Colonel Belcher Veteran's Hospital with 175 continuing care beds. Construction commenced in March 2001 with first occupancies of the rental apartments expected in early 2003. Apex currently has a waiting list of over 500 individuals who have expressed interest in becoming residents in this exciting new project.



The Seniors' Residence at the Colonel Belcher

PROJECT PROFILES

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Citadel

> BRIDLEWOOD

Located adjacent to the world-renowned Spruce Meadows Equestrian Centre in southwest Calgary, Bridlewood caters to starter and move-up home development. The community boasts quick access to a multitude of shops, restaurants and movie theatres, a nearby golf course and is close to Fish Creek Park – one of the largest urban parks in North America. Bridlewood continues to be one of the fastest growing communities in Calgary and has been ranked in the top three for building permits over the past several years. Bridlewood is currently in phase five of its 10-phase, 134-acre development plan. Excel Homes is the exclusive showhome builder in this community's starter home market.

> CITADEL

Citadel, Apex's pioneer land development project in northwest Calgary, commenced in 1991 and remains one of the city's top five selling communities featuring the same four homebuilders who have participated since its inception. The final phase of this 460-acre community is to be entirely completed and sold out in fiscal 2002. Once completed, this award-winning development will consist of over 2,200 single family homes and four multi-family sites, 12 acres of environmental reserve set aside as green space and 30 acres of extensively landscaped parks with a variety of amenities, including play equipment, skating rinks, tennis courts and pathways. Location is one of the key elements to Citadel's success and popularity – just minutes away from outstanding restaurants, shops, services and recreational facilities.

The Crossing
in Martindale

> THE CROSSING IN MARTINDALE

The Crossing in Martindale is designed for the active lifestyle of today's growing families. The development features a 21-acre year-round park including a permanent hockey rink that doubles as a roller blade rink during the summer months, a teen playground specially designed for an older age group and an extensive pathway system that links the community's tot lots and ornamental parks. The Crossing is currently in its 21st phase of a 24-phase development plan that totals over 200 acres and 1,150 home sites. Excel Homes and another major homebuilder are targeting the first time homebuyer in this quaint northeast Calgary community.

> MONTREUX COUNTRY ESTATES

The first phase of Calgary's newest west side community to total 186 acres is currently under development. Luxury estate home sites featuring spectacular mountain views on lot sizes of approximately one third of an acre are now being sold. Montreux, an Apex partnership with 7 Crowns Corporation, offers convenient access to all parts of the city and west-bound highways leading to Alberta's foothills and mountain parks, as well as an abundance of nearby shopping, restaurants and services, including the recently opened Westside Regional Recreation Centre.

> NEWHAVEN OF COVENTRY HILLS

NewHaven is nestled in the heart of north central Calgary and caters primarily to the second time homebuyer. The development boasts an elegant brick entry gate, tree-lined boulevards, an array of superbly landscaped parks with play equipment, extensive pathways that lead to one of the city's premiere shopping areas and is within walking distance to a peaceful 22-acre water feature for canoeing, kayaking and sailing. Currently in its final phase of a 4-phase plan, the total NewHaven development will be over 40 acres with 260 homes.

NewHaven of
Coventry Hills

Riverside

The Apex Land Development division acquires, develops, services and sells land for the construction of single and multi-family homes. The Company is currently developing over 380 acres in 12 major subdivisions.



Nottingham

> SIMCOE CIRCLE

Simcoe Circle is ideally located on the west side of Calgary in the established community of Signal Hill and close to the new Westside Regional Recreation Centre, is only 12 minutes from downtown and has superb nearby shopping. Development of the project's 110 move-up lots commenced in spring 2000 with builders' showhomes opening the following October. Three builders are participating in this popular development.

> SYMONS VALLEY

The Symons Valley development includes 1,500 lots on 320 acres in Calgary's northwest. Community planning for the area was approved in April 2001 and land use approval is expected to be received in July 2001. Phase one development will commence with showhomes to open in spring 2002. Three major homebuilders will target the move-up and semi-estate purchaser.

> THE HARBOURS OF FOUNTAIN LAKE

The Harbours is located in southeast Edmonton and is an exciting family community. The area features two man-made lakes, recreational playing fields and is close to schools, shopping and transportation service. A partnership project with Jayman Master Builder Inc., the exclusive builder in this development, The Harbours of Fountain Lake totals over 30 acres with 213 home sites.

> NOTTINGHAM

This premiere development is located in Sherwood Park, a community situated just east of Edmonton. Nottingham boasts two lakes, a fitness trail, natural park, school site and island park and creek. This award-winning community's five builders target the first time and move-up markets, which already has approximately 750 families living in the area. Total development calls for an additional 530 homes on 100 acres.

> RIVERSIDE

Located in the upscale community of Riverbend in southwest Edmonton, Riverside caters to move-up buyers and luxury estate living as provided by four builders. The development features a spectacular waterfall and brick entry, as well as a 5-acre dry pond. Riverside is currently in phase four of a 7-phase plan to cover 80 acres with 350 home sites.

> SKYVIEW

Skyview continues to be homebuyers' most sought after new community in northwest Edmonton since its opening in 1992. A picturesque lake is the centerpiece of this outstanding community along with a 5-acre natural tree stand that connects to the lake by an extensive pathway system. Builders are targeting the first time buyer and move-up markets. The development totals 250 acres with 1,700 single family homes plus nine acres of multi-family.

> COUNTRY SPRINGS

Country Springs is located in the City of Vernon, British Columbia at the north end of the beautiful Okanagan Valley. This community is just minutes away from Silver Star Mountain, which has both summer and winter facilities. Of the total 50 acres in this development, there are currently 30 acres left to be developed. One exclusive homebuilder has been targeting the second time purchaser.



Skyview



Country Springs

MANAGEMENT'S DISCUSSION AND ANALYSIS

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The following discussion has been prepared by management and is a review of the financial results of the Corporation based on accounting principles generally accepted in Canada. Its focus is primarily a comparison of the financial performance for the years ended April 30, 2001 and 2000 and should be read in conjunction with the consolidated financial statements and accompanying notes.

This Annual Report includes forward-looking statements about objectives, strategies and expected financial results. These statements are inherently subject to risks and uncertainties beyond the Corporation's control including, but not limited to, economic, financial and market conditions, regulatory developments and competition. These and other factors may cause the Corporation's actual performance to differ materially from that contemplated by forward-looking statements, and the reader is therefore cautioned not to place undue reliance on these statements.

THE APEX CORPORATION IS A REAL ESTATE DEVELOPMENT COMPANY with current operations in Calgary and Edmonton, Alberta; Vernon, British Columbia and Toronto, Ontario. The Corporation invests in and manages the construction of single family and multi-family housing projects and acquires, develops and sells land for single family and multi-family dwellings.



Revenue by Division

Financial Highlights

	2001		2000	
	Revenue	Gross Margin	Revenue	Gross Margin
(000s, except per share amounts)	\$	\$	\$	\$
Single family home construction	60,593	6,786	63,930	6,977
Land development	47,865	12,266	57,489	12,157
Multi-family development	37,456	2,367	9,628	174
Income producing property	1,905	1,279	1,877	1,354
Intersegment	(9,352)	220	(9,567)	(67)
Total	138,467	22,918	123,357	20,595
Other income		1,450		967
Administration expenses		(5,918)		(5,583)
Interest expense		(3,377)		(3,431)
Amortization		(644)		(675)
Income taxes		(6,352)		(5,221)
Net earnings		8,077		6,652
Net earnings per share		0.39		0.33
Operating cash flow		10,038		8,821
Operating cash flow per share		0.49		0.43



Moves stock listing from the Alberta to the Toronto Stock Exchange; commences development of 50 acres in Country Springs – Vernon; forms the Alberta Residential Mortgage Fund Ltd. whereby funds generated are used to provide mortgages for construction of rental housing units in the Province of Alberta.

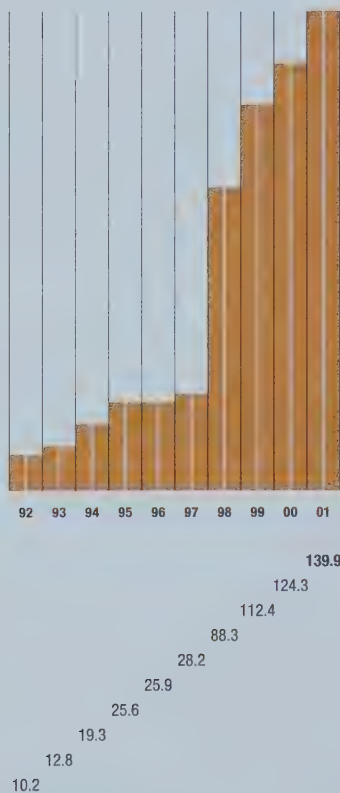


REVIEW OF OPERATING RESULTS

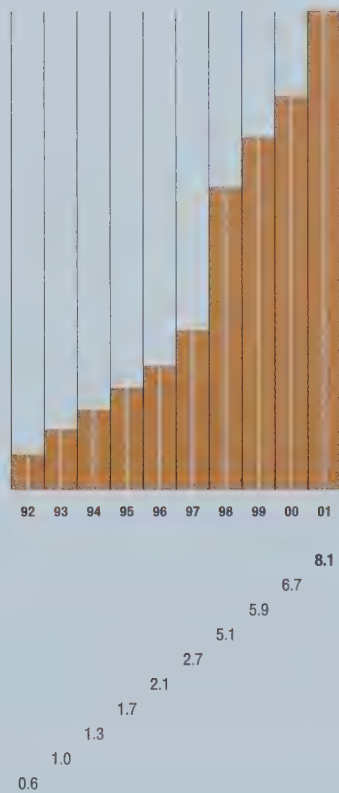
Fiscal 2001 marked Apex's tenth consecutive year of record financial results. **TOTAL REVENUE FROM SALES INCREASED 13% TO \$139.9 MILLION FROM \$124.3 MILLION IN 2000 WITH ALL DIVISIONS MAKING SIGNIFICANT CONTRIBUTIONS.** Most notably, multi-family revenues increased 289% to \$37.5 million or 25% of the Corporation's total revenue. Revenue generated from single family home construction and land development decreased 5% and 17%, respectively, to \$60.6 million and \$47.9 million. Income producing properties reflected full years of operations in both 2001 and 2000 with revenue and gross margin remaining relatively constant.

Gross margin (sales less costs), as a percentage of sales, was maintained from 2000 to 2001, although the dollar amount increased \$2.3 million due to revenue growth. This increase flowed directly to **NET EARNINGS WHICH TOTALED \$8.1 MILLION IN FISCAL 2001**, a 21% increase over the \$6.7 million recorded a year ago. On a per share basis, earnings rose from \$0.33 to \$0.39. **OPERATING CASH FLOW INCREASED 14% FROM \$8.8 MILLION TO \$10.0 MILLION** in 2001 or from \$0.43 per share to \$0.49 per share. These increases are especially gratifying since they reflect one-time expenditures of \$699,000 (2000 - \$297,000) related to the Corporation's efforts to maximize shareholder value.

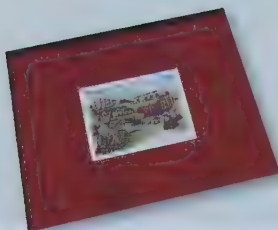
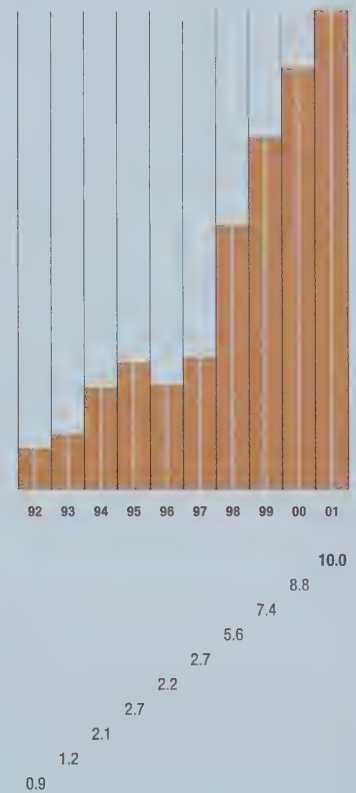
Revenue
(\$ millions)



Net Earnings
(\$ millions)



Operating Cash Flow
(\$ millions)



> Construction of The Phoenician, a 190-suite apartment condominium adjacent to Dalhousie Station in northwest Calgary, commences; enters the United States market by way of a joint venture project to build 54 single family homes in Sabino Springs - Tucson, Arizona.



MANAGEMENT'S DISCUSSION AND ANALYSIS

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Single Family Home Construction

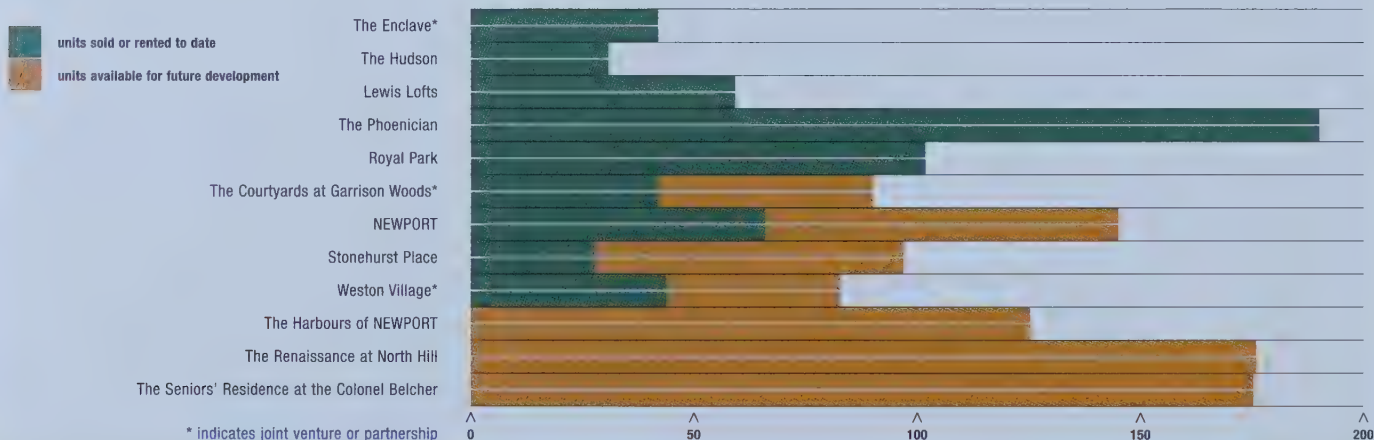
Excel Homes Inc. is Apex's single family home construction division. Excel's activities are characterized by a high turnover of assets and a high return on equity. This division complements the Corporation's land development activities by augmenting profits earned in Apex's subdivisions. Through Excel, Apex has become one of Canada's largest builders of starter homes.

Fiscal 2001 **SINGLE FAMILY HOME CONSTRUCTION REVENUE DECLINED 5% TO \$60.6 MILLION OR 41% OF THE CORPORATION'S TOTAL REVENUE** compared to \$63.9 million or 48% of total revenue in 2000. The revenue decrease is due primarily to the successful completion of the Corporation's Stonegate subdivision in Calgary as well as two Edmonton communities. Construction of showhomes in new areas will help grow this division's future revenue, although it will take time to reach those sales levels recorded in its other more established projects.

During the year, Excel sold homes in six Calgary and four Edmonton subdivisions, including four of the Corporation's communities – Bridlewood and The Crossing in Martindale in Calgary, and Nottingham and Skyview in Edmonton. Excel increased its market share in both Calgary and Edmonton during calendar 2000 to 6.2% and 2.8%, respectively, from 5.9% and 2.4% a year ago.

Effective May 1, 2001, the Corporation sold Excel's Edmonton operations for \$2.2 million due primarily to the fact that it did not meet the Corporation's overall financial objectives. As a result, management has now focused its time and financial resources on the more profitable Calgary market. Excel will continue to be a major contributor to Apex's future revenue and earnings as it demonstrates its ability to improve market share while maintaining margins above the industry average.

Multi-Family Development - Units for Sale or Rent



> Purchases 32 single family lots and a 3-acre multi-family site in The Meadows of Fulton – Vernon; purchases 250-lot project in The Harbours of Fountain Lake – Edmonton and 39 acres in NewHaven and 120 acres in Bridlewood – Calgary; forms a limited liability corporation to purchase land and develop a 60-unit multi-family project (The Enclave) in Phoenix, Arizona.



Multi-Family Development

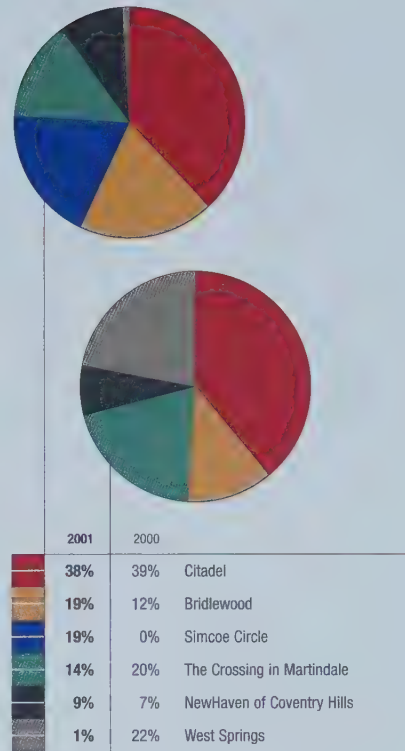
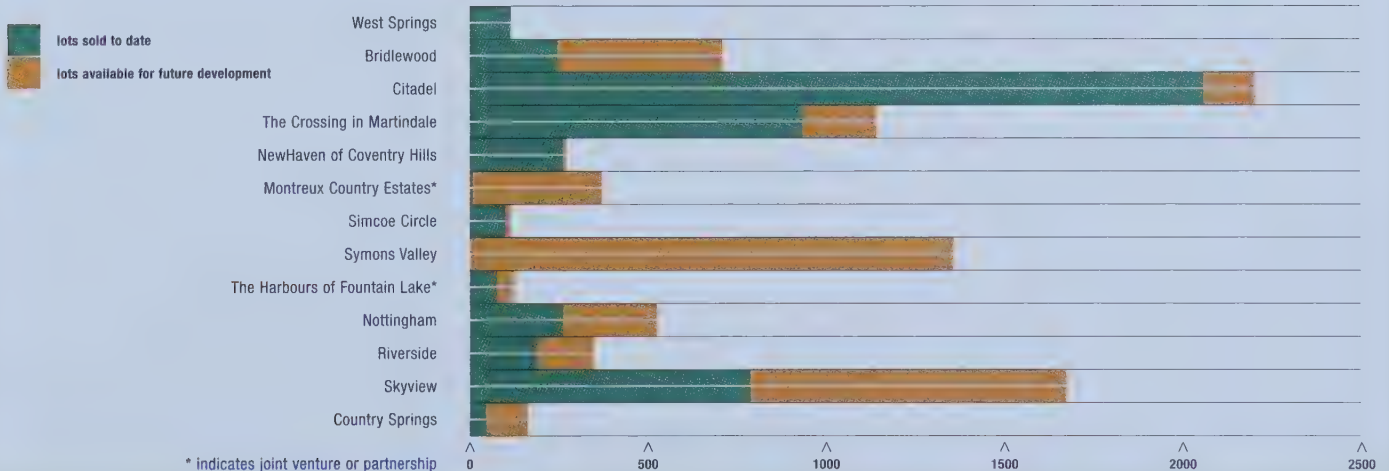
Apex's multi-family division, Apex Lifestyle Communities Inc., develops and sells a variety of multi-family living styles including specialized housing communities for the senior citizen market. **THE MULTI-FAMILY DIVISION RECORDED A STAGGERING INCREASE IN REVENUE FROM \$9.6 MILLION IN 2000 TO \$37.5 MILLION IN FISCAL 2001, ACCOUNTING FOR 25% OF THE CORPORATION'S TOTAL REVENUE COMPARED TO 7% A YEAR AGO.** This 289% increase is due to the maturity of its Calgary projects including The Courtyards at Garrison Woods, NEWPORT and Stonehurst Place, as well as strong sales in its Weston Village project in Toronto, Ontario. The division's income producing seniors' rental property, Royal Park, continues to operate at 100% occupancy and provides the Corporation a steady cash flow. These projects along with new developments, including The Renaissance at North Hill (176 luxury apartment condominiums), The Harbours of NEWPORT (125 seniors' rental apartments) and The Seniors' Residence at the Colonel Belcher (175 seniors' rental apartments) and other opportunities under investigation, ensures this division will be a key contributor to the Corporation's continued future growth and profitability.

Land Development

Land development includes purchasing land, planning and designing the future community, installing the necessary infrastructure – water, sewers, sidewalks, roads and parks – and finally, subdividing the land into individual lots for sale to home-builders. Apex Land Development, the Corporation's land development division, provides a unique platform for the Corporation's single family home construction and multi-family development divisions.

In fiscal 2001, **THE LAND DEVELOPMENT DIVISION CONTRIBUTED \$47.9 MILLION OR 32% OF THE CORPORATION'S TOTAL REVENUE** versus \$57.5 million or 43% of the prior year's total revenue. This 17% decrease is due to bulk land sales in 2000: the Maplewood project in Vaughan, Ontario and 47 acres in Calgary's Symons Valley project.

Land Development – Lots



Land Development Revenue
Calgary Projects

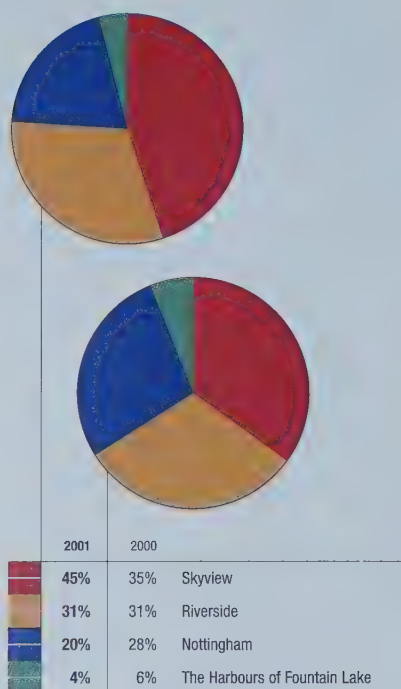


> \$7.45 million in new equity raised through private placement of special warrants with proceeds used to purchase Edmonton projects in Skyview and Nottingham; purchases Excel Homes Inc., Apex's single family home construction division.



MANAGEMENT'S DISCUSSION AND ANALYSIS

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Land Development Revenue
Edmonton Projects

Calgary continues to be the strongest contributor to this division's residential lot sales providing \$34.9 million or 74% of its fiscal 2001 revenue. Citadel, which provided 38% of the year's revenue, is anticipated to be fully completed and sold out in fiscal 2002. Citadel will be replaced by the new 320-acre Symons Valley project, which has received community planning approval, is currently awaiting final land use approval and thereafter is expecting phase one showhomes to open in spring 2002. Another significant contributor in fiscal 2001 was the Simcoe Circle project consisting of 110 lots. This development is 88% sold and will be partially replaced by Montreux Country Estates where the Corporation has a 50% partnership in 186 acres.

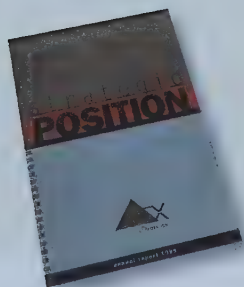
Sales from four Edmonton projects provided 26% or \$12.6 million of divisional revenue in fiscal 2001. All Edmonton projects – The Harbours of Fountain Lake, Nottingham, Riverside and Skyview – are mature communities providing significant earnings and cash flow to the Corporation.

ASSETS

THE BOOK VALUE OF THE CORPORATION'S ASSETS AS AT APRIL 30, 2001 TOTALED \$155.4 MILLION compared to \$158.6 million at April 30, 2000. The 2% decrease is due to:

- an \$11.3 million decrease through the development of lands and the sale of lots and houses;
- a \$6.5 million increase through the purchase of land in the Montreux partnership;
- a \$6.3 million decrease in multi-family units under construction with the sale of units in the Weston Village project in Toronto, Ontario and the completion of The Enclave in Phoenix, Arizona;
- an increase of \$5.9 million, offsetting the above, primarily from the construction of Calgary multi-family projects The Renaissance at North Hill, The Harbours of NEWPORT and The Seniors' Residence at the Colonel Belcher;
- an increase of \$2.5 million in agreements receivable, cash and accounts receivable due to improved sales; and
- a \$0.6 million decrease in other assets due to amortization of capital assets and partial return of investment in Altius Capital.

	Single Family Units	Multi-Family Units	Land Development	
			Lots	Total Acres
	#	#	#	#
May 1, 2000 opening inventory	223	–	634	819
Purchased	–	–	410	96
Developed	409	191	772	(115)
Sold	(430)	(191)	(1,282)	(10)
Intersegment	–	–	11	–
April 30, 2001 closing inventory	202	–	545	790



- > Construction of The Phoenician and Royal Park, a unique 105-unit Calgary seniors' rental complex, is completed; commences development of NEWPORT, a 145-unit master-planned multi-family community in north central Calgary; purchases 80 acres in Riverside – Edmonton.



LIABILITIES AND SHAREHOLDERS' EQUITY

In fiscal 2001, **LIABILITIES DECREASED \$11.4 MILLION TO \$98.6 MILLION**. This decrease is a result of:

- \$5.4 million in debenture repayments in July 2000 and February 2001;
- an overall reduction in loans for the single family home construction and land development divisions totaling \$0.5 million due to sales;
- a \$8.9 million decrease in multi-family financing due to timing of sales, completion and/or start-up of projects;
- a \$3.4 million increase in accounts payable due to increased multi-family division customer deposits and construction accruals, plus corporate income taxes;
- a \$1.0 million decrease in servicing costs due to the normal development of phases; and
- a \$1.0 million increase in future taxes due to higher agreements receivable and timing of other expenses.

SHAREHOLDERS' EQUITY INCREASED 17% TO \$56.8 MILLION in fiscal 2001 from \$48.6 million in 2000 due to the year-over-year increase in net earnings.

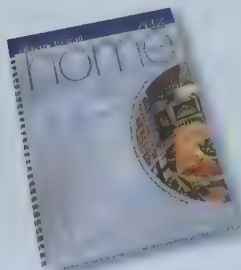
LIQUIDITY AND CAPITAL RESOURCES

At the completion of fiscal 2001, the Corporation's cash position was \$7.6 million with unused operating lines of credit totaling \$15.3 million in addition to construction facilities to complete projects.

FINANCING TO EQUITY DECREASED FROM 1.7:1 IN 2000 TO 1.2:1 IN 2001. This is a result of land loans being repaid from sales, timing of multi-family projects and repayment of the corporate debentures. The Corporation capitalizes its interest on debt used to finance project acquisitions and then amortizes it through residential sales expense. The amortization is a non-cash item and must be added back to net income before taxes for calculating interest coverage. For fiscal 2001, \$2.3 million was amortized through residential sales expense while interest payments totaled \$5.9 million. After adjusting for this amortization, interest and amortization expense, Apex has improved its interest coverage from 3.3 in fiscal 2000 to 3.5 in fiscal 2001.

COMMITMENTS

The nature of multi-family projects requires the Corporation to sign contracts for major trades at the time construction begins. Prior to these commitments being made, however, all conditions for outside financing must be met to ensure sufficient funds are available to complete the projects. The Corporation also has commitments to its customers whereby it completes the unit upon receipt of a deposit and an executed non-conditional purchase agreement. Significant contracts for the construction of The Renaissance at North Hill have been signed and is addressed by Note 16 of the consolidated financial statements included in this Annual Report.



- > Changes name to The Apex Corporation; acquires land for a 97-unit multi-family project in Stonehurst Place and purchases 14 acres in Simcoe Circle, 362 acres in Symons Valley and 186 acres in Montreux Country Estates - Calgary; Fulton Meadows development completed.



MANAGEMENT'S DISCUSSION AND ANALYSIS

ADMINISTRATION AND PROFESSIONAL FEES

ADMINISTRATION AND PROFESSIONAL FEES ACCOUNTED FOR 4.2% OF FISCAL 2001 REVENUE compared to 4.5% a year ago. The fiscal 2001 and 2000 fees included a one-time expenditure totaling \$699,000 (2000 - \$297,000) related to the Corporation's efforts to maximize shareholder value.

RISKS AND UNCERTAINTIES

The Corporation is exposed to certain risks and uncertainties in the normal course of its business. Real estate markets are cyclical in nature. Although these markets are expected to sustain their growth in the foreseeable future, downturns could affect future earnings.

Certain external factors which are not in management's control could also have an impact on the Corporation's business, including interest rate levels, a shift in population growth patterns, general economic conditions, consumer confidence, government policies and regulations, price changes in building products, and those risks inherent in having the majority of the Corporation's business operations confined to a single province. During the past two years, over 80% of Apex's real estate assets have been located in Alberta.

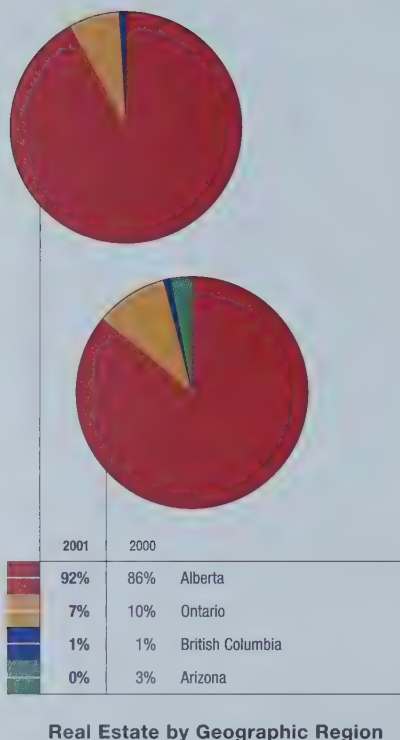
Other risks include using debt to fund investment that could result in the Corporation's inability to meet its obligations to lenders. The Corporation reduces this risk by:

- partnering only with leading builders;
- employing its single family home construction division, Excel, to sell product within Company-owned subdivisions;
- buying immediately developable lands;
- maintaining a minimum interest coverage of 2; and
- sustaining a conservative policy of expensing up-front costs at the beginning of a project, thereby creating higher margins at the end of a project when all costs are defined.

Apex is confident that the creativity and broad industry knowledge of its management and staff, combined with its stringent cash flow management policies, are sufficient to effectively deal with risks and uncertainties as they arise.

OUTLOOK

In the future, Apex will focus on its most successful geographical area, Alberta, as its operations in British Columbia and Ontario wind down. Apex will continue to explore investment opportunities in other geographical areas through the use of joint ventures with well-established partners. **APEX WILL INCREASE ITS DIVERSITY IN ALBERTA AND ESTABLISH A STEADY CASH FLOW THROUGH ITS FOCUS ON SENIORS' RENTAL APARTMENTS.**



- > Commences construction of The Renaissance at North Hill, a luxury twin-tower apartment condominium attached to a prominent north Calgary shopping centre, as well as two new seniors' progressive care retirement residences - The Harbours of NEWPORT and The Seniors' Residence at the Colonel Belcher.



To the Shareholders of The Apex Corporation

The consolidated financial statements of The Apex Corporation have been prepared by management of the Corporation in accordance with Canadian generally accepted accounting principles appropriate for the real estate industry. The financial information contained elsewhere in this Annual Report is consistent with that in the consolidated financial statements.

Management maintains a system of internal controls which is designed to provide reasonable assurance that the Corporation's assets are safeguarded and to facilitate the preparation of relevant, reliable and timely financial information. Where necessary, management uses judgment to make estimates required to ensure fair and consistent presentation of this information.

External auditors, appointed by the shareholders, conduct an independent examination in accordance with Canadian generally accepted auditing standards, and express their opinion on the consolidated financial statements. The external auditors have full and free access to the Audit Committee.

The Board of Directors is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control. The Audit Committee of the Board of Directors of the Corporation has reviewed the consolidated financial statements with management and the external auditors and recommended its approval by the Board of Directors. The Audit Committee also reviewed the Management's Discussion and Analysis.

Management recognizes its responsibility for conducting the Corporation's affairs in compliance with applicable laws and proper standards of conduct.



Greg Lefebvre
Senior Vice-President



Evelyn Fulton, CMA
Chief Financial Officer

June 26, 2001
Calgary, Alberta

AUDITORS' REPORT

To the Shareholders of The Apex Corporation

We have audited the consolidated balance sheets of The Apex Corporation as at April 30, 2001 and 2000 and the consolidated statements of earnings and retained earnings and cash flows for the years then ended. These consolidated financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Corporation as at April 30, 2001 and 2000 and the results of its operations and its cash flows for the years then ended in accordance with Canadian generally accepted accounting principles.

Collins Barrow Calgary LLP

Chartered Accountants

Calgary, Alberta
June 11, 2001

THE APEX CORPORATION - 2001 ANNUAL REPORT
CONSOLIDATED BALANCE SHEETS

As at April 30, 2001 & 2000

	Note	2001	2000
(000s)		\$	\$
Assets			
Cash		7,641	5,801
Accounts receivable	2	3,480	3,548
Agreements receivable	3	20,568	19,801
Real estate	4	121,892	127,058
Other assets	5	1,867	2,389
		155,448	158,597
Liabilities			
Accounts payable	6	17,399	14,025
Land development service costs		10,442	11,525
Financing	7	68,261	82,944
Future income taxes	8	2,514	-
Deferred income taxes		-	1,479
		98,616	109,973
Shareholders' Equity			
Share capital	9	22,469	22,338
Retained earnings		34,363	26,286
		56,832	48,624
		155,448	158,597
Contingent liability	10		

Approved by the Board of Directors



Jay A. Westman
Director



Frank B. Boyd
Director

CONSOLIDATED STATEMENTS OF EARNINGS AND RETAINED EARNINGS

Years Ended April 30, 2001 & 2000

	Note	2001	2000
(000s, except per share amounts)		\$	\$
Revenue			
Residential sales		136,562	121,480
Rental revenue		1,905	1,877
Other		1,450	967
		139,917	124,324
Expenses			
Residential sales		114,923	102,239
Rental expenses		626	523
Office administration		4,672	4,569
Professional and investor relations	12	1,246	1,014
Interest and amortization of financing costs		3,377	3,431
Amortization		644	675
		125,488	112,451
Earnings before income taxes		14,429	11,873
Provision for income taxes	8	6,352	5,221
Net earnings		8,077	6,652
Retained earnings, beginning of year		26,286	19,740
Premium on shares acquired for cancellation	9	-	(106)
Retained earnings, end of year		34,363	26,286
Earnings per common share	11		
Basic		0.39	0.33
Fully diluted		0.39	0.32

CONSOLIDATED STATEMENTS OF CASH FLOWS

Years Ended April 30, 2001 & 2000

	Note	2001	2000
(000s, except per share amounts)		\$	\$ [restated - note 1(i)]
Cash provided by (used in):			
Operating activities			
Net earnings		8,077	6,652
Items not affecting cash			
Amortization of financing costs		151	143
Amortization		644	675
Future income taxes		1,166	-
Deferred income taxes		-	1,351
Operating cash flow		10,038	8,821
Agreements receivable		(767)	(5,801)
Land held for development and sale		12,051	21,019
Operating assets		236	(1,755)
Operating liabilities		3,374	2,758
		24,932	25,042
Financing activities			
Financing	17	(17,483)	(11,618)
Repurchase of shares		-	(235)
		(17,483)	(11,853)
Investing activities			
Real estate acquisitions	17	(5,462)	(10,160)
Purchase of capital assets		(147)	(324)
		(5,609)	(10,484)
Net increase in cash		1,840	2,705
Cash, beginning of year		5,801	3,096
Cash, end of year		7,641	5,801
Operating cash flow per common share	11		
Basic		0.49	0.43
Fully diluted		0.48	0.43

April 30, 2001 & 2000

1. SIGNIFICANT ACCOUNTING POLICIES

(a) Principles of Consolidation

The consolidated financial statements include the accounts of the Corporation and its wholly owned subsidiaries.

Investments in joint ventures and partnerships are accounted for using the proportionate consolidation method whereby the Corporation's proportionate share of the assets, liabilities and the related revenues and expenses of joint ventures and partnerships are included in the financial statements.

(b) Revenue Recognition**Land development**

Revenue is recognized when a contract for sale is signed, a minimum of 15% of the sale proceeds has been received, and the sale is unconditional. Proceeds due from the sale of land are presented as agreements receivable.

Single family units and condominiums

Revenue is recognized on the occupancy of the unit.

(c) Real Estate**Land development**

Land held for development and sale is recorded at the lower of cost and estimated net realizable value.

Costs capitalized to land held for development and sale include all direct costs relating to the projects, carrying costs including interest on debt used to finance project acquisitions, property taxes and land acquisition costs. For the year ended April 30, 2001, \$2,666,000 (2000 - \$2,492,000) interest was capitalized and \$2,322,000 (2000 - \$2,908,000) interest was expensed through residential sales expense. Corporate administration overhead is not capitalized.

Servicing and land costs are allocated to each phase of a land development on a projected gross margin basis and an acreage basis, respectively, at the time the Corporation enters into a development agreement. These total costs of a phase are then allocated to individual units on the basis of anticipated selling prices maintaining the same gross margin on a unit and phase basis.

The total estimated servicing and development costs relating to land development projects are recorded as a liability at the time the first sale from a phase is made. The unexpended portion of these costs is shown as a liability - "Land development service costs". Whenever the estimate is determined to be materially different from the actual costs incurred or expected to be incurred, an adjustment is made to the liability with a corresponding adjustment to the cost of sales and land held for sale. Independent engineers calculate the estimates. However, until the municipality accepts the completed development, these costs are subject to measurement uncertainty and changes in these estimates could have a material impact on the accounts of future periods.

Single family units and condominiums**Under development**

The inventory is valued at the lower of cost, which includes land, construction financing and direct construction costs, and net realizable value.

Held for sale

Units held for sale are amortized during periods when they are rented. Amortization is calculated at 4% per annum on a declining balance method.

Income producing properties

Income producing properties are valued at the lower of cost, which includes land, construction financing and direct construction costs, and net realizable value.

1. SIGNIFICANT ACCOUNTING POLICIES (continued)**(d) Amortization**

Amortization of income producing properties is calculated at 4% per annum on a declining balance method.

Amortization of capital assets is calculated at 20% and 30% per annum on a declining balance for all capital assets except leaseholds which are amortized on a straight-line basis over the term of the lease plus its renewal period.

Debenture issue and other financing costs are amortized over the term of the related debt.

The amounts recorded for amortization are based on estimates of the remaining useful life of these assets. By their nature, these estimates are subject to measurement uncertainty and the effect of changes in such estimates on the consolidated financial statements of future periods could be significant.

(e) Financial Instruments

Financial instruments, which includes accounts and agreements receivable, accounts payable, land development service costs and financing, are recorded at the lower of their cost and estimated realizable value. Unless otherwise disclosed, the fair value of all financial instruments approximates their carrying values.

(f) Income Taxes

Effective May 1, 2000, the Corporation changed its method of accounting for income taxes from the deferral method to the liability method. Under the liability method, income tax assets and liabilities are recorded to recognize future income tax inflows and outflows arising from the settlement or recovery of assets and liabilities at the carrying values. Income tax assets are also recognized for the benefits from tax losses and deductions that cannot be identified with particular assets or liabilities, provided those benefits are more likely than not to be realized. Future income tax assets and liabilities are determined based on the tax laws and rates that are anticipated to apply in the period of realization. This change in policy was applied retroactively without restatement, and resulted in an increase in share capital and a decrease in future income taxes liability of \$131,000. The effect of this change in policy for the year ended April 30, 2001 was to increase tax expense by \$66,000.

(g) Preferred Shares

Preferred shares which are redeemable on demand at the option of the holder of those shares or which have a specific redemption date are recorded on the balance sheet as a liability at their stated redemption price as at the date of issue. Any gains or losses realized on these shares subsequent to the date of issue or any future dividends paid are recognized in the statement of earnings of that period.

(h) Stock Options

The Corporation has a Stock Option Plan as described in note 9. No compensation expense is recognized when stock options are issued to management, officers and directors. Any consideration paid on exercise of stock options is credited to share capital.

(i) Fully Diluted Earnings and Operating Cash Flow Per Share

During the year ended April 30, 2001, the Corporation changed its method of calculating fully diluted earnings and operating cash flow per common share from the imputed earnings method to the treasury stock method. Under the treasury stock method, it is assumed that proceeds on the exercise of stock options and warrants are used by the Corporation to repurchase Corporation shares at the weighted average market price during the period.

This change in policy has been applied retroactively with restatement of April 30, 2000 results. The effect of this change on the April 30, 2000 consolidated financial statements was to increase fully diluted operating cash flow per common share from \$0.42 per share to \$0.43 per share. The effect of this change on the April 30, 2001 consolidated financial statements is to increase fully diluted earnings per common share from \$0.38 per share to \$0.39 per share.

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(j) Foreign Currency Translation

The Corporation's foreign operations are considered self-sustaining and are translated into Canadian dollars using the current rate method. Accounts in United States currency have been translated into Canadian currency as follows:

Monetary assets and liabilities at the rate prevailing at the balance sheet date; and

Revenue and expenses at the average rate for the year.

Resulting translation gains or losses are deferred as a component of shareholders' equity until there is a realized reduction of the investment in the foreign operation.

2. ACCOUNTS RECEIVABLE

	2001	2000
(000s)	\$	\$
Amounts due on residential sales	2,210	1,460
Trade accounts, GST and other receivables	591	770
Receivables from joint venture participants	115	691
Income taxes recoverable	-	63
Loans to officers under options plan	564	564
	3,480	3,548

The loans to officers were interest free and were granted to certain officers to acquire preferred shares of the Corporation. These loans were repayable on the earlier of termination of employment or April 30, 2001. On May 1, 2001, the loans were repaid and the preferred shares were redeemed (see note 7).

3. AGREEMENTS RECEIVABLE

Agreements receivable are secured by underlying real estate assets. Generally, these receivables involve a payment of a deposit of 15% to 20% and an agreement for sale, during which three months are interest free, three months are at prime plus 1% per annum, and thereafter at prime plus 4% per annum.

Agreements receivable are primarily related to land sales in Alberta and are subject to the related economic conditions of that region.

The rates of interest received on these receivables approximates the current rates available for secured real estate financing with similar terms and maturities.

The Corporation is exposed to credit risk to the extent that borrowers may fail to meet their contractual obligations. This risk is mitigated by a charge on the secured property.

4. REAL ESTATE

	2001	2000
(000s, except for units)	\$	\$
Land held for sale	23,797	26,073
Land held for development	41,213	42,300
Condominiums under development	31,968	34,436
Single family units held for sale	14,935	15,821
Income producing property, net of accumulated amortization of \$737,000 (2000 - \$450,000)	7,599	7,826
Income producing properties under development	2,380	102
Deposits on land	-	500
	121,892	127,058
Units		
Land held for sale - lots	545	634
Land held for development - acres	790	819
Single family units held for sale - units	202	223

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

5. OTHER ASSETS

	2001		
	Cost	Accumulated Amortization	Net Book Value
(000s)	\$	\$	\$
Capital assets	2,187	1,247	940
Prepaid expenses	168	—	168
Financing costs and other	1,081	322	759
	3,436	1,569	1,867

	2000		
	Cost	Accumulated Amortization	Net Book Value
(000s)	\$	\$	\$
Capital assets	2,095	954	1,141
Prepaid expenses	253	—	253
Financing costs and other	1,134	139	995
	3,482	1,093	2,389

6. ACCOUNTS PAYABLE

	2001	2000
(000s)	\$	\$
Trade accounts and accrued liabilities	12,196	10,381
Customer deposits	2,672	2,784
Income taxes	1,445	—
Interest	1,086	860
	17,399	14,025

7. FINANCING

	2001			2000	
	Weighted Average Interest Rate	(000s)	Weighted Average Interest Rate	(000s)	
	%	\$	%	\$	
Loans for land held for development	5.31	19,883	5.97	27,925	
Project construction loans and operating lines	6.54	28,342	6.92	29,468	
Mortgage	8.25	8,877	8.25	9,070	
Corporate debentures	10.78	10,595	10.00	15,917	
Preferred shares - Class C		564		564	
		68,261		82,944	

Loans for land held for development, project construction loans and operating lines and mortgage

These amounts are from various financial institutions, are secured by pledging the related project lands and by the assignment of agreements receivable, sale proceeds and insurance proceeds. The majority of these loans are to be repaid from sale proceeds.

The Corporation has \$NIL (US\$NIL) [2000 - \$642,022 (US\$433,585)] loans denominated in United States dollars.

Corporate debentures

The Corporate debentures are general corporation debt collateralized by a floating charge on all assets and undertakings of the Corporation, and are subordinate to specific project financing and all security granted to the Corporation's bankers which includes fixed and floating charges on specific assets and a general security agreement.

7. FINANCING (continued)

Preferred shares**Class C**

The 140,000 Class C redeemable first preferred shares, Series A (the "Series A shares") were non-voting, had a fixed value of \$4.03 per share and were redeemable April 30, 2001. The shares were entitled to a dividend of one Class A common share for each share the holder retained. The Corporation provided interest-free loans in the amount of \$564,000 for the purchase of the shares. On May 1, 2001, the 140,000 Series A shares were redeemed and the related loans of \$564,000 were repaid (see note 2). The accrued but unpaid dividends at April 30, 2001 of 140,000 Class A common shares were issued to the Series A shareholders in May 2001.

Principal repayments

Principal repayments are projected as follows:

(000s)	\$
2002	30,354
2003	10,717
2004	2,269
2005	4,067
2006	6,345
Subsequent	14,509
	<u>68,261</u>

Principal repayments are based on fixed repayments and projected sales. Although the operating lines are due on demand, repayments are not estimated to be required in 2001 and the lines will continue to revolve based on construction and sales volumes. All estimates are subject to general economic conditions.

8. INCOME TAXES

Significant components of the Corporation's future tax liability, at April 30, 2001, include the following:

(000s)	\$
Reserve for agreements receivable not yet due	2,276
Other	238
	<u>2,514</u>

Significant components of the tax expense are as follows:

	2001	2000
(000s)	\$	\$
Current income tax expense	5,186	3,870
Future tax expense relating to temporary differences	1,366	-
Future tax benefit from tax rate reductions	(200)	-
Deferred tax expense	-	1,351
	<u>6,352</u>	<u>5,221</u>

9. SHARE CAPITAL

Authorized

- Unlimited number of Class A common voting shares
- Unlimited number of Class B common voting shares
- Unlimited number of Class C common non-voting shares
- Unlimited number of Class D common non-voting shares
- Unlimited number of Class C redeemable first preferred shares (note 7)
- Unlimited number of Class E redeemable voting preferred shares
- Unlimited number of Class F 8.75% redeemable non-voting, non-cumulative preferred shares

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

9. SHARE CAPITAL (continued)

	Number	Stated Value
(000s)		\$
Issued - Class A common shares		
Balance, April 30, 1999	20,407	22,467
Class C preferred shares dividends issued (note 7)	140	-
Normal course issuer bid	(119)	(129)
Balance, April 30, 2000	20,428	22,338
Class C preferred shares dividends issued (note 7)	140	-
Change in accounting policy (note 1[f])	-	131
Balance, April 30, 2001	20,568	22,469

Common shares

The 1,000,000 Class A common shares held in escrow at April 30, 2000 were released from escrow during the year ended April 30, 2001.

Pursuant to a normal course issuer bid terminating during the year ended April 30, 2000, the Corporation acquired and cancelled NIL (2000 - 118,800) Class A common shares at a cost of \$NIL (2000 - \$235,000). The excess of cost over stated value of the shares acquired of \$NIL (2000 - \$106,000) has been charged to retained earnings.

Stock options

The Corporation has a Stock Option Plan under which it may grant options to management, officers and directors up to a maximum of 3 million common shares. The exercise price of each option is determined by the market price of the Corporation's stock on the date of grant and an option's maximum term varies from 3 to 10 years. Options vest at terms determined by the Board of Directors at the time of grant.

A summary of the status of the Corporation's options as of April 30, 2001 and 2000, and changes during the years ended on those dates is as follows:

	2001		2000	
	Class A Shares	Weighted Average Exercise Price	Class A Shares	Weighted Average Exercise Price
	000s	\$	000s	\$
Outstanding, beginning of year	936	1.27	1,308	2.43
Granted	261	1.92	273	1.70
Cancelled	(84)	1.81	(645)	3.80
Outstanding, end of year	1,113	1.38	936	1.27
Options exercisable at year-end	978	1.31	683	1.23

The following table summarizes information about options outstanding at April 30, 2001:

Options Outstanding			Options Exercisable		
Exercise Prices	Number Outstanding	Weighted Average Remaining Contractual Life	Weighted Average Exercise Price	Number Exercisable	Weighted Average Exercise Price
\$	000s	Years	\$	000s	\$
1.10	675	-	1.10	675	1.10
1.70	219	4.3	1.70	174	1.70
1.92	219	5.4	1.92	129	1.92
	1,113	1.9	1.38	978	1.31

Subsequent to April 30, 2001, 675,000 options at \$1.10 per share were exercised for \$742,500.

10. CONTINGENT LIABILITY

The Corporation has been named as a defendant in a lawsuit arising out of an industrial accident at one of the Corporation's projects. Legal counsel for the Corporation has advised that it is premature to make any evaluation of the claim, and that the Corporation is insured for the amount. Consequently, no provision for this claim has been made in the accounts.

11. EARNINGS AND OPERATING CASH FLOW PER COMMON SHARE

Basic earnings and operating cash flow per common share are calculated using the weighted average number of Class A common shares outstanding during the year of 20,546,000 (2000 - 20,411,000).

Fully diluted earnings and operating cash flow per common share are determined on the assumption that the outstanding options and warrants have been exercised at the earlier of the date of grant or the beginning of the year. The fully diluted number of Class A common shares outstanding during the year is 20,827,000 (2000 - 20,686,000).

12. PROFESSIONAL AND INVESTOR RELATIONS

During the year, the Corporation expensed \$699,000 (2000 - \$297,000) relating to previously announced efforts to maximize shareholders' value.

13. INVESTMENT IN JOINT VENTURES AND PARTNERSHIPS

The Corporation's share of the assets, liabilities, revenues and expenses of its joint ventures and partnerships which have been proportionately consolidated in these financial statements are as follows:

	2001	2000
(000s)	\$	\$
Assets		
Cash	941	8
Accounts and agreements receivable	983	1,095
Real estate	23,563	19,280
Liabilities		
Accounts payable	(4,402)	(1,879)
Land development service costs	(908)	(279)
Financing	(8,570)	(12,898)
Net investment	11,607	5,327
Revenues	19,923	3,111
Expenses	(18,119)	(3,361)
Income (loss) before income taxes	1,804	(250)
Cash flow from operating activities	6,673	7,100
Cash flow used in financing activities	(1,528)	(5,054)
Cash flow used in investing activities	(4,212)	(2,125)

The Corporation is contingently liable for obligations of its associates in the joint ventures and partnerships. All of the assets of the joint ventures and partnerships are available for the purpose of satisfying the obligations.

14. SEGMENTED INFORMATION

The Corporation conducts all of its activities in the real estate industry in Alberta, British Columbia and Ontario, Canada and Arizona, U.S.A. Segmented information has been prepared in accordance with the Corporation's practice of reporting on a product basis.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

14. SEGMENTED INFORMATION (continued)

	2001		2000	
	Revenue	Gross Margin	Revenue	Gross Margin
(000s)	\$	\$	\$	\$
Single family home construction	60,593	6,786	63,930	6,977
Land development	47,865	12,266	57,489	12,157
Condominium development	37,456	2,367	9,628	174
Income producing property	1,905	1,279	1,877	1,354
Intersegment	(9,352)	220	(9,567)	(67)
Total	138,467	22,918	123,357	20,595
Other income		1,450		967
Administration expenses		(5,918)		(5,583)
Interest expense		(3,377)		(3,431)
Amortization		(644)		(675)
Income taxes		(6,352)		(5,221)
Net earnings		8,077		6,652

	2001		2000	
	Assets	Investing Activities	Assets	Investing Activities
(000s)	\$	\$	\$	\$
Land development	87,593	4,212	90,118	3,370
Condominium development	37,824	1,250	37,748	6,790
Single family home construction	18,638	-	21,783	-
Income producing property	7,599	-	7,826	-
Capital assets	-	147	-	324
Other	6,352	-	5,222	-
Intersegment	(2,558)	-	(4,100)	-
Total	155,448	5,609	158,597	10,484

The Corporation earned revenue of \$133,084,000 (2000 - \$114,156,000) in Canada and \$5,383,000 (2000 - \$9,201,000) in the United States.

15. RELATED PARTY TRANSACTIONS

In the ordinary course of its business, the Corporation sells land to companies owned by major shareholders under the same terms as those offered to other purchasers. Residential sales for 2001 include \$14,475,000 (2000 - \$19,204,000) to these related parties. Agreements receivable as at April 30, 2001 include \$7,820,000 (2000 - \$9,593,000) due from these related parties.

Directors and officers have \$1,894,000 (2000 - \$1,656,000) invested in debentures and were paid interest of \$136,000 (2000 - \$155,000).

At April 30, 2001, financing includes \$2,667,000 (2000 - \$2,667,000) of loans provided by major shareholders. The loans bear no interest and have no principal repayment terms, but the companies participate in the profits of a specific project.

Management is of the opinion that all of these transactions were undertaken under the same terms and conditions as transactions with non-related parties and are measured at the exchange amount.

16. COMMITMENTS

To April 30, 2001, the Corporation has received customer deposits of \$1,501,000 (2000 - \$2,076,000) on condominiums and single family units for total sales of \$34,025,000 (2000 - \$42,867,000). The Corporation's commitments relating to the \$1,171,000 (2000 - \$708,000) customer deposits on lots have already been accrued in land development service costs at April 30, 2001.

The Corporation has signed contracts for construction of real estate of \$15,769,000 (2000 - \$3,278,000) and has provided letters of guarantee of \$2,240,000 (2000 - \$3,412,000) which have not been accrued in the consolidated financial statements at April 30, 2001.

17. STATEMENT OF CASH FLOWS

During the year, real estate was acquired at an aggregate cost of \$8,262,000 (2000 - \$15,626,000), of which \$2,800,000 (2000 - \$5,466,000) has been excluded from the statement of cash flows because the Corporation assumed directly related financing.

During the year, the Corporation paid interest of \$5,889,000 (2000 - \$5,780,000) and income taxes of \$3,678,000 (2000 - \$4,003,000).

18. SUBSEQUENT EVENT

Effective May 1, 2001, the Corporation's subsidiary Excel Homes Inc. ("Excel") sold certain real estate "Work-in-Progress" and ongoing operations of Excel's business in the greater Edmonton, Alberta area to a significant shareholder and a director of the Corporation at a negotiated price which was equal to the carrying value of \$2,191,000 for \$2,096,000 cash and a \$95,000 promissory note due May 1, 2002.

HISTORICAL REVIEW

Years Ended April 30,	2001	2000	1999	1998	1997	1996	1995	1994	1993	1992
(000s, except per share amounts)	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Financial Data										
Revenue	139,917	124,324	112,439	88,319	28,242	25,905	25,614	19,302	12,817	10,192
Expenses										
Rental and sales	115,549	102,762	91,789	74,307	20,654	19,590	20,105	15,378	10,394	8,562
Office administration and professional fees	5,918	5,583	4,963	3,113	1,571	1,348	1,158	931	670	336
Interest, amortization and dividends	3,377	3,431	2,320	1,887	1,009	844	784	404	315	124
Amortization of capital assets	644	675	456	202	34	27	27	21	14	10
Management fees	-	-	1,710	-	-	-	-	-	-	-
Net earnings	8,077	6,652	5,941	5,113	2,713	2,084	1,711	1,325	1,012	624
Per share - basic	0.39	0.33	0.30	0.27	0.20	0.16	0.13	0.10	0.07	0.07
Operating cash flow	10,038	8,821	7,411	5,552	2,748	2,208	2,652	2,125	1,166	892
Per share - basic	0.49	0.43	0.37	0.29	0.20	0.17	0.17	0.15	0.09	0.11
Total assets	155,448	158,597	153,206	133,149	42,590	38,848	38,770	37,008	34,117	21,765
Financing	68,261	82,944	89,595	69,629	15,781	16,737	19,251	20,622	17,545	11,297
Future income taxes	2,514	-	-	-	-	-	-	-	-	-
Deferred income taxes	-	1,479	128	1,022	1,050	1,130	1,120	687	178	153
Shareholders' equity	56,832	48,624	42,207	35,973	15,677	12,399	10,088	8,377	9,090	4,194
Returns and Ratios										
Return on assets (%)	5.14	4.27	4.15	5.82	6.66	5.37	4.52	3.73	3.62	5.01
Return on equity (%)	15.32	14.65	17.56*	19.80	19.33	18.54	18.53	17.25	47.66	3.57
G&A expense as a % of revenue	4.23	4.49	4.41	3.52	5.56	5.20	4.52	4.82	3.30	n/a
Financing to equity ratio	1.20	1.71	2.12	1.94	1.01	1.35	1.91	2.46	2.69	5.07
Price earnings ratio	4.21	6.06	6.50	13.41	14.60	5.63	5.46	n/a	n/a	n/a
Common Share Data										
Common shares outstanding (000s)										
At April 30	20,568	20,428	20,407	20,023	13,978	13,528	13,190	13,190	13,125	9,350
Weighted average	20,546	20,411	20,100	19,053	13,757	13,333	13,190	13,177	11,501	8,618
Share trading										
High (\$)	2.19	2.50	3.89	5.95	3.95	0.90	1.00	n/a	n/a	n/a
Low (\$)	1.54	1.40	1.42	2.80	0.76	0.51	0.65	n/a	n/a	n/a
Close (\$)	1.64	2.00	1.95	3.62	2.92	0.90	0.71	n/a	n/a	n/a
Volume (000s)	2,776	3,546	7,027	7,729	5,365	1,731	213	n/a	n/a	n/a

* excludes management fees

CORPORATE INFORMATION

Corporate Head Office

The Apex Corporation

Suite 1100, 500 Fourth Avenue S.W.
Calgary, Alberta T2P 2V6
Telephone: (403) 264-3232
Facsimile: (403) 263-0502
E-Mail: apex@apexland.com
Website: www.apexland.com

Divisions

Excel Homes Inc.

Unit A102, 9705 Horton Road S.W.
Calgary, Alberta T2V 2X5
Telephone: (403) 253-1433
Facsimile: (403) 253-1687
E-Mail: excel@excelhomes.net
Website: www.excelhomes.net

Apex Lifestyle Communities Inc.

Suite 1100, 500 Fourth Avenue S.W.
Calgary, Alberta T2P 2V6
Telephone: (403) 264-3232
Facsimile: (403) 263-0502
E-Mail: apex@apexland.com
Website: www.apexland.com

Apex Land Development

Suite 1100, 500 Fourth Avenue S.W.
Calgary, Alberta T2P 2V6
Telephone: (403) 264-3232
Facsimile: (403) 263-0502
E-Mail: apex@apexland.com
Website: www.apexland.com

Auditors

Collins Barrow Calgary LLP
Calgary, Alberta

Corporate Banker

Bank of Nova Scotia
Calgary, Alberta

Insurance Agent

Renfrew Insurance
Calgary, Alberta

Legal Counsel

Masuch, Albert & Neale
Calgary, Alberta

Stikeman Elliott
Calgary, Alberta

Project Lenders

Bank of Montreal
Bank of Nova Scotia
Canadian Western Bank
TD Bank Financial Group

Registrar and Transfer Agent

Inquiries regarding change of address, registered shareholdings, stock transfers or lost certificates should be directed to:

Computershare Trust Company of Canada

Suite 600, 530 Eighth Avenue S.W.
Calgary, Alberta T2P 3S8
Attn: Stock Transfer Department
Telephone: (403) 267-6800

Stock Trading

Toronto Stock Exchange
Trading Symbol: AXD.A





Jay A. Westman
Chairman of the Board (2) (3)

President & Chief Executive Officer
 Jayman Master Builder Inc.

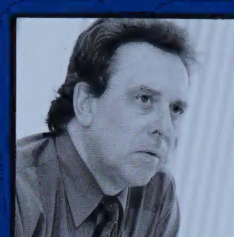
Mr. Westman has been Chairman of Apex since incorporation in 1991 and serves as President and Chief Executive Officer of Jayman Master Builder Inc., the largest builder of custom homes in Western Canada and Calgary's fourth largest private corporation. Together with Mr. Westman's degree of Master Home Builder from the Professional Home Builders Institute of Alberta, his Business Administration diploma from SAIT, past Chairman of The Alberta New Home Warranty Program and over 25 years experience and leadership in all aspects of the home building sector, Mr. Westman offers tremendous industry knowledge and foresight to both Apex and its shareholders.



Calvin Wenzel
Vice-Chairman of the Board (2) (3)

President & Chief Executive Officer
 Shane Homes Limited

Mr. Wenzel has been Vice-Chairman of Apex since 1991. Since founding Shane Homes Limited, the third largest single family homebuilder in Calgary, Mr. Wenzel has served as its President and Chief Executive Officer. Mr. Wenzel is the past President of both the Calgary and Alberta Home Builders Associations, past Vice-President of the Canadian Home Builders Association and past Director of the New Home Warranty Program of Alberta.



Frank B. Boyd

President & Chief Executive Officer
 The Apex Corporation

Mr. Boyd was born and educated in Northern Ireland graduating with a B.Sc. in Civil Engineering from Queen's University of Belfast. He commenced his business career in 1969 with Stanley Associates as Chief Design Engineer, and later with Carma Developments and his own land consulting company, producing approximately 20,000 residential lots in the Calgary area. In 1984, Mr. Boyd served as Vice-President, Land Development with United Management and subsequently helped to form The Apex Corporation in May 1991. Mr. Boyd is a member of the Association of Professional Engineers, Geologists and Geophysicists of Alberta and is the past President of the Urban Development Institute of Canada.



Gerald E. Masuch (1)

Barrister & Solicitor
 Masuch, Albert & Neale

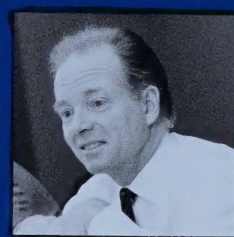
Mr. Masuch received his LLB from the University of Alberta in 1974. He is the senior partner of the law firm Masuch, Albert & Neale with offices in Calgary and Edmonton. Mr. Masuch is one of Alberta's leading experts in real estate law.



Murray Mullen (1)

President & Chief Executive Officer
 Mullen Transportation Inc.

Mr. Mullen joined Mullen Transportation Inc. in 1977 and has served as President and Chief Executive Officer since 1991. As one of the largest providers of trucking and logistics services in Canada, the company is also the country's single largest transporter of oilfield drilling equipment. Mr. Mullen is a member of the Board of Directors of the Truckload Carriers Conference and Precision Drilling Corporation.

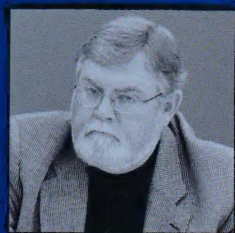


John Torode (2)

Chief Executive Officer
 Torode Realty Limited

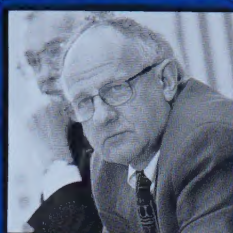
Mr. Torode founded Torode Realty Limited, a Calgary-based commercial realty company, in 1973 and continues to serve as its Chief Executive Officer. Over the past 28 years, the firm has expanded its operations to Edmonton, Vancouver and Toronto, and today provides office and retail leasing, revenue property sales, asset management and real estate investment banking services. Mr. Torode serves on the boards of numerous Calgary performing arts organizations.

(1) Audit Committee Member
 (2) Compensation Committee Member
 (3) Executive Committee Member

**David Gregory** (2)

President & Chief Executive Officer
First Calgary Savings

Mr. Gregory has served as President and Chief Executive Officer of First Calgary Savings since 1992, following five years as Vice-President – Metro Toronto Region for Canada Trust. Mr. Gregory has over 28 years of banking and financial industry experience and serves as director on numerous public and community boards including First Canadian Title Insurance and the Calgary Educational Partnership Foundation.

**M. Blaine Lee** (1)

Management Consultant & President
LeeMartin Associates Ltd.

As President of LeeMartin Associates Ltd., a Calgary management consulting firm, Mr. Lee has been serving his local, national and international clients for over 25 years in the areas of organization design, strategic planning and financial analysis. Formerly, Mr. Lee was an Associate Professor and MBA Program Director at the University of Calgary.

Officers

Jay A. Westman
Chairman of the Board

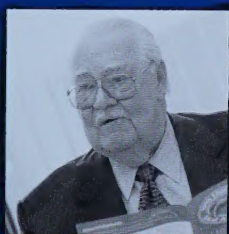
Calvin Wenzel
Vice-Chairman of the Board

Frank B. Boyd
President & Chief Executive Officer

Alvin C. Westman
Secretary-Treasurer

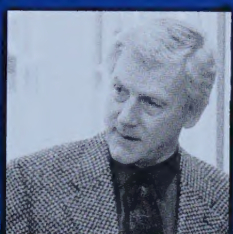
Greg Lefebvre
Senior Vice-President

Evelyn Fulton
Chief Financial Officer

**Alvin C. Westman**

Chairman
Jayman Master Builder Inc.

In 1979, Mr. Westman, along with Jay Westman, co-founded Jayman Master Builder Inc. and has since served as its Chairman. Mr. Westman has over 40 years of experience in the home building industry and has been involved in real estate sales, residential and commercial construction, land development and apartment management in Western Canada.

**Dennis Zentner** (1)

Vice-President, Marketing
Gienow Building Products Ltd.

Since 1983, Mr. Zentner has been a majority shareholder of Gienow Building Products Ltd., Canada's leading window manufacturer, and serves as its Vice-President of Sales and Marketing. Over the past 28 years, Mr. Zentner and his partners have grown Gienow from a small family business with 32 employees to a company that exports its products to 11 foreign countries and employs over 500 Albertans. Mr. Zentner is a member of the Board of Directors of Cenatrix Ltd.

